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PRESS RELEASE

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Hamilton County to Create Land Bank

Abandoned, blighted properties will be focus of County effort to revitalize neighborhoods

CINCINNATI – The Hamilton County Board of Commissioners announced today they will take formal steps to create and implement a Land Bank to benefit communities across Hamilton County ravaged by the national foreclosure crisis. Creation of a Land Bank is a development tool made available to Ohio counties through passage of state law last year.

“The foreclosure crisis has deeply impacted our community and creation of a Land Bank is a tool to begin rebuilding. I see this as an opportunity to transform blighted and abandoned properties into valuable commercial and residential real estate that will create jobs and revitalize neighborhoods,” said Commission President Greg Hartmann.

The excess of abandoned properties across Hamilton County is proving difficult for municipalities to handle. Once foreclosed upon, the liens on a property may exceed the market value, there may be title defects and other parties may have claims to the property as well. This results in a title that is not insurable, transferable or of any use to anyone. A property in this condition may forfeit to the state and become a drain on local taxpayers and communities indefinitely.

A county land reutilization corporation, or Land Bank, as allowed by HB 113, allows the County to acquire vacant and abandoned properties through tax foreclosures, from lenders and banks, or on the open market. The Land Bank then clears the titles and liens against these properties and redistributes them for productive use. The Land Bank can enter into negotiations and contracts for purchase and development, and operate strategically with preferred buyers and developers as part of an overall property redevelopment plan.

“There are thousands of properties across Hamilton County discouraging homeowner and business investment in many of our neighborhoods. The Land Bank will turn these properties into homes and businesses that will create jobs and generate revenue that will have a direct impact on our local economy,” said Hartmann.

Since 2007, there have been nearly 30,000 foreclosure filings in Hamilton County. In addition to their title defects, residential and commercial foreclosed and abandoned properties broadly impact our community. They drag down property values, increase insurance costs to adjacent property owners, decrease government revenue collection, increase crime and erode community pride.

The most practical mechanism created by state law for Hamilton County to fund a Land Bank entails adding 5% to the amount collected through the County's Delinquent Tax and Assessment Collection Fund (DTAC). Delinquent taxes are already collected by the County Treasurer on residential and commercial property and then distributed back to over 100 applicable taxing jurisdictions including townships and municipalities, school districts, county property tax levies, and tax increment financing districts. Through the creation of a Land Bank, state law enables the county to withhold 5% of delinquent tax revenue from taxing jurisdictions for the DTAC Fund.

While jurisdictions temporarily lose a small level of delinquent tax revenue to fund the Land Bank, the resulting property tax revenue and economic activity generated will pay dividends. Each property that the Land Bank improves and restores to residential or commercial use will provide taxing jurisdictions like schools and municipalities new, annual tax revenue streams which would not have otherwise existed.

The proposal Hamilton County Commissioners unanimously supported today is based upon successful Land Bank operations in Genesee County, Michigan and in Cuyahoga County and Lucas County in Ohio. Hamilton County will be the third county in Ohio to create a land bank. Commissioners are expected to formally establish the Land Bank by resolution in the coming weeks.